

# REPORT OF THE ECONOMIC DEVELOPMENT LEGISLATIVE SUBCOMMITTEE

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## SENATE BILL 587

S. 587 -- Senator Turner: A BILL TO AMEND SECTION 11-41-75(A) AND (B) OF THE 1976 CODE, RELATING TO ECONOMIC DEVELOPMENT BONDS FOR CONVENTIONS AND TRADE SHOWS, TO PROVIDE THAT THE PROVISIONS REQUIRING THE REIMBURSEMENT OF BOND PROCEEDS, PLUS INTEREST, UPON THE SALE OF A MEETING AND EXHIBIT SPACE ARE NOT APPLICABLE IF THE SALE PROCEEDS ARE USED IN THEIR ENTIRETY FOR A NEW MEETING AND EXHIBIT SPACE OF NOT LESS THAN FIFTY THOUSAND SQUARE FEET, OR TO REIMBURSE A STATE AGENCY, INSTRUMENTALITY, OR POLITICAL SUBDIVISION FOR THE ACQUISITION OR CONSTRUCTION OF A NEW MEETING AND EXHIBIT SPACE OF NOT LESS THAN FIFTY THOUSAND SQUARE FEET IF CONSTRUCTION OCCURRED PRIOR TO THE SALE OF THE ORIGINAL MEETING AND EXHIBIT SPACE, AND TO PROVIDE CONDITIONS UNDER WHICH THE EXEMPTION APPLIES.

***Received by Ways and Means:*** April 13, 2021

***Summary of Bill:*** This bill revises provisions governing economic development bonds for conventions and trade shows, to provide that the provisions requiring the reimbursement of bond proceeds, plus interest, upon the sale of a meeting and exhibit space are not applicable if the sale proceeds are used in their entirety for a new meeting and exhibit space of not less than fifty thousand square feet.

The legislation provides for the reimbursement of a state agency, instrumentality, or political subdivision for the acquisition or construction of a new meeting and exhibit space of not less than fifty thousand square feet if construction occurred prior to the sale of the original meeting and exhibit space. The legislation establishes conditions under which the exemption applies.

***Estimated Revenue Impact:*** This bill does not have a fiscal impact and, therefore, does not affect the General Fund revenue forecast.

***Subcommittee Recommendation:*** Favorable subcommittee report on 4/27/2021.

"THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT".

***Other Notes/Comments:***

This bill passed the Senate by a vote of 43-0.



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** S. 587      Introduced on February 23, 2021  
**Author:** Turner  
**Subject:** Economic Bonds for Conventions and Trade Shows  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Coomer  
**Impact Date:** March 29, 2021

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### **Fiscal Impact Summary**

This bill revises exemptions relating to the reimbursement of bond proceeds to the General Fund upon the sale of a meeting and exhibit space financed by economic development bonds. This bill will have no impact on the General Fund expenditures of the State Fiscal Accountability Authority (SFAA) or the Office of the State Treasurer (OST).

The timing and magnitude of any potential sales occurring under these provisions cannot be estimated and reimbursements are not included in the General Fund revenue estimate until they materialize. Therefore, while this bill may have an undetermined impact in the year such a sale occurs, this bill does not affect the General Fund revenue forecast.

### **Explanation of Fiscal Impact**

#### **Introduced on February 23, 2021**

##### **State Expenditure**

This bill revises exemptions relating to the reimbursement of bond proceeds, plus interest, to the General Fund upon the sale of a meeting and exhibit space financed by economic development bonds. Currently, the provisions requiring this reimbursement are not applicable if, in addition to other requirements, the sale proceeds are used in their entirety for a new meeting and exhibit space. This bill revises this requirement for an exemption to only apply if the sale proceeds are used in their entirety for a new meeting and exhibit space more than fifty thousand square feet or if the sale proceeds are used in their entirety to reimburse a state agency, instrumentality, or political subdivision for the acquisition or construction of a new meeting and exhibit space of more than fifty thousand square feet if the construction occurred prior to the sale of the original meeting and exhibit space. This bill further clarifies conditions under which the exemption applies.

**State Fiscal Accountability Authority.** All bond monies collected through SFAA are remitted directly to the General Fund. Since SFAA does not directly receive revenue from bonds within agency operations, SFAA indicates that this bill will have no expenditure impact on the agency.

**Office of the State Treasurer.** OST indicates that its debt division will be able to accomplish the duties enumerated in this bill using existing appropriations and staff. Therefore, this bill will have no expenditure impact on the agency.

**State Revenue**

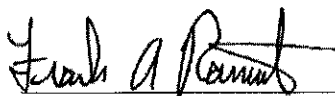
The timing and magnitude of any potential sales occurring under these provisions cannot be estimated and reimbursements are not included in the General Fund revenue estimate until they materialize. Therefore, while this bill may have an undetermined impact in the year such a sale occurs, this bill does not affect the General Fund revenue forecast.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director

**South Carolina General Assembly**  
124th Session, 2021-2022

**S. 587**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Turner

Document Path: I:\s-res\rt\005conv.sp.rt.docx

Introduced in the Senate on February 23, 2021

Introduced in the House on April 13, 2021

Currently residing in the House Committee on **Ways and Means**

Summary: Economic bond for conventions and trade shows

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/23/2021	Senate	Introduced and read first time ( <u>Senate Journal-page 2</u> )
2/23/2021	Senate	Referred to Committee on <b>Finance</b> ( <u>Senate Journal-page 2</u> )
3/31/2021	Senate	Committee report: Favorable <b>Finance</b> ( <u>Senate Journal-page 9</u> )
4/7/2021	Senate	Read second time ( <u>Senate Journal-page 54</u> )
4/7/2021	Senate	Roll call Ayes-43 Nays-0 ( <u>Senate Journal-page 54</u> )
4/8/2021	Senate	Read third time and sent to House ( <u>Senate Journal-page 168</u> )
4/13/2021	House	Introduced and read first time ( <u>House Journal-page 9</u> )
4/13/2021	House	Referred to Committee on <b>Ways and Means</b> ( <u>House Journal-page 9</u> )

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**VERSIONS OF THIS BILL**

[2/23/2021](#)

[3/31/2021](#)

1 ~~Indicates Matter Stricken~~  
2 Indicates New Matter  
3  
4 COMMITTEE REPORT  
5 March 31, 2021  
6

7 **S. 587**

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9 Introduced by Senator Turner

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11 S. Printed 3/31/21--S.  
12 Read the first time February 23, 2021.  
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15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 587) to amend Section 11-41-  
17 75(a) and (b) of the 1976 Code, relating to economic development  
18 bonds for conventions and trade shows, to provide, etc., respectfully

19 **REPORT:**

20 That they have duly and carefully considered the same and  
21 recommend that the same do pass:

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23 HUGH K. LEATHERMAN, SR. for Committee.  
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26 **STATEMENT OF ESTIMATED FISCAL IMPACT**

27 **Explanation of Fiscal Impact**

28 **State Expenditure**

29 This bill revises exemptions relating to the reimbursement of  
30 bond proceeds, plus interest, to the general fund upon the sale of a  
31 meeting and exhibit space financed by economic development  
32 bonds. Currently, the provisions requiring this reimbursement are  
33 not applicable if, in addition to other requirements, the sale proceeds  
34 are used in their entirety for a new meeting and exhibit space. This  
35 bill revises this requirement for an exemption to only apply if the  
36 sale proceeds are used in their entirety for a new meeting and exhibit  
37 space more than fifty thousand square feet or if the sale proceeds are  
38 used in their entirety to reimburse a state agency, instrumentality, or  
39 political subdivision for the acquisition or construction of a new  
40 meeting and exhibit space of more than fifty thousand square feet if  
41 the construction occurred prior to the sale of the original meeting

1 and exhibit space. This bill further clarifies conditions under which  
2 the exemption applies.

3 **State Fiscal Accountability Authority.** All bond monies collected  
4 through SFAA are remitted directly to the general fund. Since SFAA  
5 does not directly receive revenue from bonds within agency  
6 operations, SFAA indicates that this bill will have no expenditure  
7 impact on the agency.

8 **Office of the State Treasurer.** OST indicates that its debt division  
9 will be able to accomplish the duties enumerated in this bill using  
10 existing appropriations and staff. Therefore, this bill will have no  
11 expenditure impact on the agency.

12 **State Revenue**

13 The timing and magnitude of any potential sales occurring under  
14 these provisions cannot be estimated and reimbursements are not  
15 included in the general fund revenue estimate until they materialize.  
16 Therefore, while this bill may have an undetermined impact in the  
17 year such a sale occurs, this bill does not affect the general fund  
18 revenue forecast.

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20 Frank A. Rainwater, Executive Director

21 Revenue and Fiscal Affairs Office

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**A BILL**

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TO AMEND SECTION 11-41-75(A) AND (B) OF THE 1976 CODE, RELATING TO ECONOMIC DEVELOPMENT BONDS FOR CONVENTIONS AND TRADE SHOWS, TO PROVIDE THAT THE PROVISIONS REQUIRING THE REIMBURSEMENT OF BOND PROCEEDS, PLUS INTEREST, UPON THE SALE OF A MEETING AND EXHIBIT SPACE ARE NOT APPLICABLE IF THE SALE PROCEEDS ARE USED IN THEIR ENTIRETY FOR A NEW MEETING AND EXHIBIT SPACE OF NOT LESS THAN FIFTY THOUSAND SQUARE FEET, OR TO REIMBURSE A STATE AGENCY, INSTRUMENTALITY, OR POLITICAL SUBDIVISION FOR THE ACQUISITION OR CONSTRUCTION OF A NEW MEETING AND EXHIBIT SPACE OF NOT LESS THAN FIFTY THOUSAND SQUARE FEET IF CONSTRUCTION OCCURRED PRIOR TO THE SALE OF THE ORIGINAL MEETING AND EXHIBIT SPACE, AND TO PROVIDE CONDITIONS UNDER WHICH THE EXEMPTION APPLIES.

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Be it enacted by the General Assembly of the State of South Carolina:

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SECTION 1. Section 11-41-75(A) and (B) of the 1976 Code is amended to read:

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“Section 11-41-75. (A) Notwithstanding the provisions of Section 11-41-70(2)(d), the provisions requiring the reimbursement of bond proceeds, plus interest, upon the sale of the meeting and exhibit space, are not applicable if:

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- (1) the proceeds of the sale of meeting and exhibit space is for its true value as described in Section 12-37-930;
- (2) the sale proceeds are used in their entirety;



